



**U. S. Nuclear Regulatory Commission**

**Office of Inspector General**

**FY 2003 Performance Plan**

**October 2002**

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## **OFFICE OF THE INSPECTOR GENERAL FY 2003 PERFORMANCE PLAN**

### **Mission**

Congress passed the Inspector General (IG) Act in 1978 to ensure integrity and efficiency within the Federal government and its programs. In accordance with the 1988 amendment to the Act, the NRC's Office of the Inspector General (OIG) was established as a statutory entity on April 15, 1989.

The OIG's mission is to (1) independently and objectively conduct and supervise audits and investigations relating to the NRC's programs and operations; (2) prevent and detect fraud, waste, and abuse; and (3) promote economy, efficiency, and effectiveness in NRC's programs and operations. In addition, OIG reviews existing and proposed regulations, legislation and directives and provides comments, as appropriate, regarding any identified significant concern. The Inspector General also keeps the NRC Chairman and members of Congress fully and currently informed about problems, makes recommendations to the agency for corrective action, and monitors NRC's progress in implementing such actions.

### **General Goals**

The OIG's general goals comprise the essential elements necessary to effectively realize OIG's principal mission. They also reflect the vision statement adopted by the OIG. "We are the agents of positive change striving for continuous improvement in our agency's management and program operations and in our office."

The OIG will fulfill its legislative mandate by working to achieve the following general goals as stated in its FY 2000–FY 2005 Strategic Plan: (1) To add value to NRC's technical and administrative programs, OIG will identify opportunities for improvement in agency operations and conduct activities for the purpose of preventing and detecting fraud, waste, and abuse; (2) To keep our stakeholders well informed, OIG will enhance its communication and liaison activities with OIG's customers, including NRC management, the U.S. Congress, Government agencies, the nuclear industry, and public entities; (3) OIG will make value-added policy, legislative, and regulatory recommendations relating to the NRC's programs and operations; and (4) OIG will improve the effectiveness of its efforts in conducting activities for the purpose of preventing and detecting fraud, waste, and abuse in NRC's programs and operations by ensuring the economical, efficient, and effective operation of our office.

The full range of OIG activities are conducted within the following three major programs.

*Audits:* The OIG audit staff conducts performance and financial audits in accordance with Government Auditing Standards (Yellow Book). Performance audits are conducted on NRC administrative and program operations to evaluate the effectiveness and efficiency with which managerial responsibilities are carried out. They focus on whether management controls, practices, processes, and procedures are adequate and effective, and whether programs achieve intended results.

Financial audits include the financial statements audit required by the Chief Financial Officers (CFO) Act of 1990 and other financial-related audits. These audits include such items as internal control systems, transaction processing, financial systems, and contracts. In preparing reports summarizing audit

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findings, the OIG strives to maintain an open channel of communication between the agency and management officials to ensure that audit findings are accurate and fairly presented in the audit report.

*Investigations:* Investigations are performed in accordance with the Quality Standards for Investigations of the President's Council on Integrity and Efficiency (PCIE), Department of Justice (DOJ) guidelines, the NRC/OIG Special Agent Handbook, and other applicable laws, policies, and regulations. OIG investigators conduct investigations of individuals and entities suspected of offenses against the criminal and civil laws of the United States or NRC regulations, in accordance with the IG Act. The OIG coordinates investigations with DOJ, U.S. Attorney's offices and other law-enforcement agencies. Investigations generally fall into the following categories: fraud, waste, abuse, and mismanagement involving NRC programs, activities and functions; contract and procurement fraud and improprieties; conflict of interest and ethics violations; and NRC employee misconduct and improprieties.

Many sources refer allegations of criminal misconduct and wrongdoing to the investigative staff. These sources include: NRC management and staff, the Congress, public interest groups, the nuclear industry, other Government agencies, and the general public. The OIG maintains a toll-free telephone hotline to facilitate the receipt of allegations.

In addition to criminal and administrative misconduct investigations, OIG investigators conduct event inquiries that do not specifically involve individual misconduct but rather identify institutional weaknesses that led to or allowed the occurrence of a problem. These institutional weaknesses may serve as precursors for more extensive activity by the OIG's audit and/or investigative staff.

*Management and Operational Support:* The Resource Management and Operational Support staff perform myriad support functions. These include formulating and executing the OIG budget, administering independent personnel services, preparing the OIG Semiannual Report to Congress, supporting information technology within OIG, and coordinating strategic planning activities.

In addition to these major programs and as part of OIG's mission to prevent and detect fraud, waste, and abuse and to promote economy and efficiency, OIG conducts regulatory reviews of proposed legislation, regulations, directives, and policy initiatives that affect NRC's programs and operations. Significant concerns which are documented by the OIG in regulatory commentaries are given to the agency for consideration, and provide OIG's objective analysis of vulnerabilities created by proposed or existing statutes, regulations, or policies.

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### **Linkage Between the General Goals of the OIG's Strategic Plan for FY 2000 - FY 2005 and the OIG's Performance Plan for FY 2003**

The OIG's strategic plan includes four general goals and a number of supporting objectives that describe planned accomplishments.

The following is a linkage between the general goals of the OIG FY 2000–FY 2005 Strategic Plan and the FY 2003 Performance Plan. This includes a tie-in between the level of activity by the OIG in its audit, investigation, and support functions with the objectives related to the general goals. It also includes the performance indicators, FY 2003 target levels for accomplishing our performance indicators, and our FY 1999–FY 2002 performance results. The OIG will revise its strategic plan and associated performance goals and measures in FY 2003 to better align resources with performance goals.

| <b><u>General Goal 1</u></b>  |                   |   |   |   |
|---|-------------------|---|---|---|
| <b>To add value to the NRC's technical and administrative programs, OIG will identify opportunities for improvement in the agency and conduct activities for the purpose of preventing and detecting fraud, waste, and abuse in the NRC's programs and operations.</b>  |                   |   |   |   |
| <b><u>Objectives (Strategies)</u></b>   |                   |   |   |   |
| 1. Conduct timely, effective, and independent audits and investigations.<br>2. Proactively identify and act on current and emerging issues.<br>3. Advise the NRC in areas of OIG expertise.<br>4. Enhance programs for prevention and awareness of fraud, waste, and abuse.   |                   |   |   |   |
| <b><u>FY 2003 Activities</u></b>  | <b>Objectives</b> |   |   |   |
|   | 1                 | 2 | 3 | 4 |
| OIG will conduct 16 to 18 audits during FY 2003. The audits planned for this period will be based on input from various elements of NRC, Congress, other Federal agencies, the nuclear industry, and OIG staff. The planned audits will encourage efficiency, economy, and effectiveness of NRC programs and operations; detect and prevent fraud, waste, and mismanagement; improve program activities at headquarters and regional locations; and respond to unplanned priority requests and emerging issues. OIG will also conduct the annual audit of NRC's financial statements and necessary contract audit activities. | x                 | x | x | x |
| OIG will conduct 50-70 investigations and event inquiries during FY 2003. The majority will focus on violations of law or misconduct by NRC employees and contractors as well as allegations of irregularities or abuse in NRC programs and operations. Where indications of potentially systematic violations such as theft of government property or contract fraud have been raised, proactive investigations will also be conducted.  | x                 | x | x | x |

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The following tables identify the performance indicators that the OIG has established to measure its success in achieving each of the four objectives associated with General Goal 1, and summarizes OIG's performance against those indicators in FY 1999 - FY 2002.

*Objective 1.1 Conduct timely, effective, and independent audits and investigations.*

| Performance Indicators for Audits  | FY 2003 Targets  |
|--|--|
| Keep average cost per audit to 1 FTE or less.                                    | Apply 1 FTE per audit. <b>(I)</b>  |
| Complete audits in 6 months or less, on average.                                 | Complete audits in 6 months on average. <b>(O)</b>   |
| Obtain satisfactory peer review to be completed every 3 years.                   | Achieve 100 percent compliance with audit standards per triennial peer review (FY 2000, FY 2003). <b>(O)</b> |
| Obtain agency agreement on at least 90 percent of audit recommendations.         | Obtain agency agreement on 90 percent of audit recommendations. <b>(O)</b>                                   |
| Obtain final agency action on 65 percent of audit recommendations within 1 year. | Complete final action within 1 year on 65 percent of audit recommendations. <b>(O)</b>                       |

Key to Performance Indicators

Input = **I**    Output = **O**    Outcome = **O**

FY 2002 Performance:

- 0.49 FTE applied per audit.
- 6.3 months per audit on average.
- 100 percent compliance on limited scope internal peer review.
- 100 percent agreement by agency on audit recommendations.
- 72.2 percent of final actions completed on audit recommendations within 1 year.

FY 2001 Performance:

- 0.62 FTE applied per audit.
- 5.4 months per audit on average.
- 100 percent feedback obtained on issued audit reports at exit conference and in resolution process.<sup>1</sup>
- 93.6 percent agreement by agency on audit recommendations within 90 days of report issuance.
- 63.8 percent final actions completed on audit recommendations over 1 year old.

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FY 2000 Performance:           0.53 FTE applied per audit.  
   6.9 months per audit on average.  
   100 percent compliance with audit standards per peer review.  
   100 percent feedback obtained on issued audit reports, and the new audit report process.

FY 1999 Performance:           0.48 FTE applied per audit.  
   5.1 months per audit on average.  
   100 percent feedback obtained on issued audit reports.  
   100 percent agreement by the agency on audit recommendations.

| Performance Indicators for Investigations   | FY 2003 Targets   |
|---|---|
| Complete 80 percent of all non-fraud investigations including event inquiries by the established due date.  | Complete 80 percent of all non-fraud investigations including event inquiries by the established due date. <b>(O)</b> |
| Complete 90 percent of active cases in less than 2 years.   | Complete 90 percent of active cases in less than 2 years. <b>(O)</b>  |
| Refer 30 percent of investigations for criminal prosecution.  | Achieve 30 percent rate for cases referred for criminal prosecution. <b>(O)</b>                                       |
| Achieve a minimum success rate of 90 percent for actions taken by NRC management in response to investigative reports issued by OIG (e.g., additional training, program reviews and modifications). | Achieve 90 percent success rate for management actions in response to OIG investigative reports. <b>(O)</b>           |
| Achieve a minimum success rate of 70 percent for Program Fraud and Civil Remedies Act (PFCRA) cases accepted by NRC's Office of General Counsel (OGC).  | Achieve 80 percent acceptance rate for PFCRA referrals. <b>(O)</b>  |
| Address the majority of investigative issues raised in customer surveys.  | Address 90 percent of survey investigative issues. <b>(O)</b>   |
| Address the majority of investigative issues identified in quality control reviews.   | Address 100 percent of investigative quality control issues. <b>(O)</b>   |

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| FY 2002 Performance: | <p>46 percent of all non-fraud investigations including event inquiries completed by the established due date.<sup>2</sup></p> <p>100 percent of active cases completed in less than 2 years.</p> <p>50 percent rate achieved for cases referred for criminal prosecution.</p> <p>100 percent success rate achieved for management actions in response to OIG investigative reports.</p> <p>PFCRA referrals - none.</p> <p>A customer survey was not performed this period.</p> <p>A quality control review was not performed this period.</p> |
| FY 2001 Performance: | <p>68 percent of all non-fraud investigations completed by the established due date.</p> <p>100 percent of active cases completed in less than 2 years.</p> <p>41 percent rate achieved for cases referred for criminal prosecution.</p> <p>93 percent success rate achieved for management actions in response to OIG investigative reports.</p> <p>100 percent success rate achieved for PFCRA referrals.</p> <p>A customer survey was not performed this period.</p> <p>A quality control review was not performed this period.</p>         |
| FY 2000 Performance: | <p>5.0 months per investigation on average.<sup>3</sup></p> <p>259.5 hours per completed investigation on average.</p> <p>40 percent of cases initiated were referred.</p> <p>100 percent success rate for management referrals.</p> <p>PFCRA referrals - none.</p> <p>100 percent of survey issues addressed.</p> <p>100 percent of quality control issues addressed.</p>   |



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FY 1999 Performance: 7.96 months per investigation on average.  
230 hours per completed investigation on average.  
Convictions/pleas - Not applicable.  
96.8 percent success rate for management referrals.  
100 percent success rate for PFCRA referrals.  
100 percent of survey issues addressed.  
100 percent of quality control issues addressed.

*Objective 1.2. Proactively identify and act on current and emerging issues.*

| Performance Indicator for Audits   | FY 2003 Target   |
|--|--|
| Develop a detailed annual audit plan, listing audits to be performed and estimated required resources, with input from agency management, Congress, industry, other Government agencies, and the public. | Complete Audit Plan by October 1, 2002 for FY 2003. <b>(I)</b> |

FY 2002 Performance: Plan completed by milestone date.  
FY 2001 Performance: Plan completed by milestone date.  
FY 2000 Performance: Plan completed by milestone date.  
FY 1999 Performance: Plan completed in December 1998.

| Performance Indicator for Investigations   | FY 2003 Target   |
|--|--|
| Develop a detailed annual investigative plan, based in part on sources of information developed by investigative staff. Sources include members of public interest groups, NRC employees, representatives of other agencies and licensees. | Complete Investigative Plan by October 1, 2002 for FY 2003. <b>(I)</b> |

FY 2002 Performance: Plan completed by milestone date.  
FY 2001 Performance: Plan completed by milestone date.  
FY 2000 Performance: Plan completed by milestone date.  
FY 1999 Performance: Plan completed in May 1999.

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*Objective 1.3. Advise the NRC in areas of OIG expertise.*

| <b>Performance Indicators for Audits and Investigations</b>   | <b>FY 2003 Targets</b>   |
|---|--|
| Participate in one or more targeted management projects or task forces by OIG auditors and/or investigators.  | Participate in at least one project or task force by OIG auditors and/or investigators. <b>(O)</b> |
| Identify reports that either define agency institutional weaknesses or provide assessments as to how well NRC programs are meeting intended objectives and/or purposes. | Complete 16 reports annually in FY 2003. <sup>4</sup> <b>(O)</b>                                   |

FY 2002 Performance: Participation on 18 task forces and special projects by OIG auditors or investigators.  
Completed 21 reports.

FY 2001 Performance: Participation on 20 task forces and special projects by OIG auditors or investigators.  
Completed 19 reports.

FY 2000 Performance: Participation on seven tasks forces and management projects by OIG auditors and investigators.  
Completed 21 reports.

FY 1999 Performance: Participation on two intergovernmental task forces by OIG investigators.  
Completed 18 reports.

*Objective 1.4. Enhance programs for prevention and awareness of fraud, waste, and abuse.*

| <b>Performance Indicator for Audits and Investigations</b>  | <b>FY 2003 Targets</b>  |
|---|---|
| Complete annual training for NRC employees and others, in areas most at risk for fraud, waste, and abuse. | Conduct training at major Headquarter's components and/or NRC regional offices. Training will be provided by senior members of the OIG staff. <b>(O)</b>  |
|   | Fraud awareness training will be provided by OIG investigative staff to NRC Contract Project Officers/Managers and other identified employees. <b>(O)</b> |

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| FY 2002 Performance: | <p>Misconduct and fraud awareness training conducted in 2 regions.</p> <p>Training provided to NRC Project Officers/Managers on detecting contract fraud indicators.</p> <p>Training was presented at NRC regional offices in February through May 2002.</p> <p>One OIG fraud bulletin was issued.</p> <p>OIG General Counsel conducted the “Fraud for Auditors” course at the Inspector General Audit Training Institute.</p> <p>OIG General Counsel led a session on legal issues to Federal, State and municipal Inspectors General at American University.</p> |
| FY 2001 Performance: | <p>Misconduct and fraud awareness training conducted in 3 regions.</p> <p>Security awareness crime prevention training provided to NRC employees.</p> <p>Training provided to NRC Project Officers/Managers on detecting contract fraud indicators.</p> <p>OIG briefed employees at NRC Decommissioning Counterpart Meeting.</p> <p>OIG briefed senior regional managers in all four regions.</p> <p>One OIG fraud bulletin was issued.</p>  |
| FY 2000 Performance: | <p>Computer security awareness presentation conducted by OIG investigators.</p> <p>Fraud awareness briefings were presented to NRC’s Division of Contracts and Property Management and Region II personnel. Two OIG fraud bulletins were also issued.</p>  |
| FY 1999 Performance: | <p>OIG participated in training for Office of the General Counsel Regional Counsels.</p> <p>As part of OIG’s ongoing educational effort within the agency and the community at large, OIG published a brochure on “Fraud Awareness.”</p>   |

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| <p style="text-align: center;"><b><u>General Goal 2 (Strategic Goal)</u></b></p> <p><b>To keep our stakeholders well-informed, OIG will enhance its communication and liaison activities with OIG's customers, including NRC management, the U.S. Congress, Government agencies, the nuclear industry, and public entities.</b></p> |
| <p><b><u>Objective (Strategy)</u></b></p> <p>1. Develop and maintain liaison activities with OIG customers.</p>   |
| <p><b><u>FY 2003 Activities</u></b></p> <p>Periodically meet with the NRC Chairman, the Commission, other key NRC executives and members of Congress. Hold planning conferences and invite customers for input, provide reports to Congress summarizing results of OIG activities and accomplishments.</p>                          |

The following table identifies the performance indicators that the OIG has established to measure its success in achieving the primary objective associated with General Goal 2, and summarizes OIG's performance against those indicators in FY 1999 - FY 2002.

*Objective 2.1. Develop and maintain liaison activities with OIG customers.*

| Performance Indicators for the Office  | FY 2003 Targets   |
|--|---|
| OIG management will meet periodically each year with NRC's senior management officials to discuss emerging issues.   | OIG management will meet at least quarterly each year with NRC's senior management officials to discuss emerging issues. <b>(O)</b>   |
| OIG management will brief the NRC Chairman and the NRC Commissioners periodically on OIG matters.  | OIG management will brief the Chairman monthly and the Commissioners quarterly on OIG matters. <b>(O)</b>   |
| OIG management will meet periodically with appropriate Congressional Committees and issue summaries of audits and investigations to the U.S. Senate Committee on Governmental Affairs. | OIG management will meet twice each year with appropriate oversight committees and provide quarterly summaries of reports to the Committee on Governmental Affairs. <b>(O)</b>    |
| OIG will timely produce and appropriately distribute a Semiannual Report to Congress and other interested parties.   | Semiannual reports will be distributed no later than one month following the end of the reporting period. <b>(O)</b>  |
| OIG will make publicly releasable reports available to the public in a timely manner.  | Audit reports, investigative event inquiries, and the Semiannual Report to Congress will be on the Internet within 4 weeks of issuance. <b>(O)</b>                                |
| OIG will reply in a responsive manner to public inquiries.   | Respond to 90 percent of all FOIA/PA requests within deadlines established by law, applicable regulations, and OIG policy, with an appeal ratio of 20 percent or less. <b>(O)</b> |

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| Performance Indicators for the Office   | FY 2003 Targets  |
|---|--|
| OIG investigators will be assigned liaison responsibilities for designated Government agencies and meet with representatives of these agencies on a periodic basis. | Investigators will meet quarterly with designated Government agency representatives and report results to the Assistant Inspector General for Investigations. <b>(O)</b> |
| OIG representatives will interact with public interest groups involved with nuclear safety issues.  | Perform liaison activities monthly. <b>(O)</b>   |

**FY 2002 Performance:**

OIG management met quarterly with NRC's senior management.

Chairman received most monthly briefings and each Commissioner was periodically briefed at least three times.<sup>5</sup>

Met three times with appropriate oversight committees.

Quarterly summaries were timely provided to oversight committees and quarterly summaries of reports provided to the Committee on Governmental Affairs.

Semiannual reports were issued within 1 month after close of reporting period.

Audit reports and semiannual reports were available on the Internet within 4 weeks of issuance.

95 percent of all FOIA/PA requests were responded to within established deadlines, with an appeal ratio less than 20 percent.

Investigators met with most designated Government agency representatives on a quarterly basis and reported results to the Assistant Inspector General for Investigations.<sup>6</sup>

OIG performed monthly liaison activities.

**FY 2001 Performance:**

Met at least three times with the EDO, CFO, CIO, and General Counsel.

Chairman received monthly briefings and each Commissioner received a quarterly briefing.

Met three times with appropriate oversight committees.

Quarterly summaries were timely provided to oversight committees and quarterly summaries of reports were provided to the Committee on Governmental Affairs.

Semiannual reports were issued within 1 month after the close of the reporting period.

Audit reports, investigative event inquiries and semiannual reports were available on the Internet within 4 weeks of issuance.

Investigators met quarterly with designated Government agency representatives and reported results to the Assistant Inspector General for Investigations.

OIG performed monthly liaison activities.

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### **FY 2000 Performance:**

Met four times with the EDO, CFO, CIO, and General Counsel.

Chairman received monthly briefings and each Commissioner received a quarterly briefing.

Quarterly summaries were timely provided to oversight committees.

Semiannual reports were issued within 1 month after the close of the reporting period.

Audit reports were available on the Internet within 4 weeks of issuance.

Event Inquiries were made publicly available upon issuance. Internet target not met.

Investigators met with designated agencies on a routine basis.

OIG performed liaison activities with public interest groups.

### **FY 1999 Performance:**

Met four times with the EDO, CFO, CIO, and General Counsel.

Chairman received monthly briefings and each Commissioner received a quarterly briefing.

Quarterly summaries were timely provided to oversight committees.

Semiannual reports were issued within 1 month after close of reporting period.

Audit reports were available on the Internet within 4 weeks of issuance.

All investigative Event Inquiries were made publicly available upon issuance. Internet target not met.

Investigators met with approximately 14 designated agencies on a quarterly basis.

OIG performed monthly liaison activities.

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| <b><u>General Goal 3 (Strategic Goal)</u></b>   |
| <b>OIG will make value-added policy, legislative, and regulatory recommendations relating to NRC's programs and operations.</b>   |
| <b><u>Objective (Strategy)</u></b><br>1. Review existing and proposed legislation and regulations.  |
| <b><u>FY 2003 Activities</u></b>  |
| OIG will review existing and proposed policy legislation, and regulations relating to NRC's programs and operations. OIG will provide timely reports that make recommendations concerning the impact of such legislation or regulations as they pertain to economy and efficiency of programs and operations and vulnerability to fraud, waste and abuse. |

The following table identifies the performance indicators that the OIG has established to measure its success in achieving the primary objective associated with General Goal 3, and summarizes OIG's performance against those indicators in FY 1999 - FY 2002.

*Objective 3.1. Review existing and proposed legislation and regulations.*

| <b>Performance Indicators for OIG General Counsel</b>   | <b>FY 2003 Targets</b>  |
|---|---|
| 90 percent of responses to requests from the agency for comment/input on existing and proposed legislation and regulations will be made within the due date(s). | 90 percent of requests will be reviewed within the due date. <b>(O)</b>   |
| NRC will take responsive action on the majority of OIG comments relating to the review of proposed policy, legislation, and regulations.                        | OIG will obtain agency agreement to take responsive actions to comments in 60 percent of the matters reviewed. <b>(O)</b> |

FY 2002 Performance: Targets were met.

FY 2001 Performance: Targets were met.

FY 2000 Performance: Targets were met.

FY 1999 Performance: Targets were met.

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| <b><u>General Goal 4 (Strategic Goal)</u></b>  |                   |   |   |
|--|-------------------|---|---|
| <b>OIG will improve the effectiveness of its efforts in conducting activities for the purpose of preventing and detecting fraud, waste and abuse in NRC's programs and operations by ensuring the economical, efficient and effective operation of our office.</b>   |                   |   |   |
| <b><u>Objectives (Strategies)</u></b>  |                   |   |   |
| 1. Maximize organizational efficiency and effectiveness.<br>2. Evaluate the sufficiency of the current Issue Area Monitor (IAM) Program.<br>3. Develop a specialized training program and increase the organizational knowledge of the OIG staff.  |                   |   |   |
| <b><u>FY 2003 Activities</u></b>   | <b>Objectives</b> |   |   |
|  | 1                 | 2 | 3 |
| OIG will evaluate the OIG report production process and determine where and how they can be streamlined. OIG will also assess the efficiency of current methods for information distribution within OIG and establish a means to allow OIG staff to provide direct input to the IG/Deputy IG regarding audit and investigative issues. | x                 |   |   |
| OIG will evaluate how current agency issue areas are monitored and consider whether it is appropriate to expand the current OIG program, which is currently an audit staff function, to include investigations.  |                   | x |   |
| OIG will establish a specialized training program for the OIG staff to enhance awareness of investigative, audit, legal and pertinent legislative processes.   |                   |   | x |

The following tables identify the performance indicators that the OIG has established to measure its success in achieving each of the three objectives associated with General Goal 4, and summarizes OIG's performance against those indicators in FY 1999 - FY 2002.

### *Objective 4.1. Maximize organizational efficiency and effectiveness.*

| <b>Performance Indicators for the Office</b>  | <b>FY 2003 Targets</b>   |
|---|--|
| OIG will evaluate its process for producing reports.  | OIG will review the OIG report production process on an annual basis. <b>(O)</b>   |
| OIG will evaluate the way it processes information to determine potential inefficiencies and barriers to effective communication.             | OIG will implement the audit and investigation components of its Management Information System (MIS) in FY 2003. <b>(O)</b>  |
| The IG and Deputy IG will schedule periodic meetings with OIG staff in order to obtain direct input regarding audit and investigative issues. | The IG and Deputy IG will meet directly with OIG audit and investigative staff on a semiannual basis each year to obtain input on audit and investigative issues. <b>(O)</b> |



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FY 2002 Performance: The report production process was evaluated as part of the migration to AutoAudit and an internal investigative quality assurance review.

The audit and investigative components of the Management Information System (MIS) was not implemented in FY 2002, as well as defining requirements and preparing the business case analysis for the Resource Management and Operational Support component. The MIS audit and investigative components are scheduled for completion in FY 2003.<sup>7</sup>

IG and Deputy IG met directly with OIG audit and investigative staff on a semiannual basis.

FY 2001 Performance: The report production process was evaluated.

A business requirements analysis was completed for the OIG MIS.

IG and Deputy IG met directly with OIG audit and investigative staff.

FY 2000 Performance: The report production process was evaluated. As a result, a new discussion draft report process was initiated and the exit conference process was revised.

A followup review addressing the information retrieval issue was conducted and a new database system was designed and developed.

IG and Deputy IG met three times with audit and investigative staff.

FY 1999 Performance: An initial assessment addressing the information retrieval issue was completed and the report preparation process was reviewed.

IG and Deputy IG met quarterly with audit and investigative staff.

*Objective 4.2. Evaluate the sufficiency of the current Issue Area Monitor (IAM) program.*

| Performance Indicator for the Office                    | FY 2003 Targets   |
|---|---|
| OIG will use a team approach to review the IAM process. | A review will be completed in FY 2002. With the completion of the IAM review in FY 2002, objective has been satisfied and will be closed in FY 2003. <b>(O)</b> |

FY 2002 Performance: A review of the Issue Area Monitor program was completed and resulted in a revision to the Audit Manual.

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FY 2001 Performance: A review of the Issue Area Monitor program was initiated in FY 2001 and will be completed in FY 2002.

FY 2000 Performance: A review was completed in the first quarter and a summary report issued in the second quarter of FY 2000.

FY 1999 Performance: The Issue Area Monitor program was reviewed in November 1999.

*Objective 4.3. Develop a specialized training program and increase the organizational knowledge of the OIG staff.*

| Performance Indicators for Audits   | FY 2003 Targets   |
|---|---|
| Auditors will obtain Continuing Professional Education (CPE) in accordance with Government Auditing Standards.        | Each OIG auditor will complete a minimum of 20 hours of CPEs in each year and a total of 80 hours for both years combined. Of the 80 hours, 24 hours must be directly related to Government environment and to Government auditing. For entry-level employees with less than 2 years with the audit organization, a pro rata number of hours will be acceptable. <b>(O)</b> |
| Newly hired OIG auditors will attend an NRC-developed technical training course or technical conference. <sup>8</sup> | At least 50 percent of newly hired auditors will complete an NRC-developed training course or technical conference. <b>(O)</b>  |

FY 2002 Performance: Auditors met CPE requirements. Technical training target met.

FY 2001 Performance: Auditors met training and Individual Development Plan (IDP) requirements. Technical training target not met.

FY 2000 Performance: Auditors met training requirements. IDP target not met.<sup>9</sup>

FY 1999 Performance: Auditors met training requirements. IDP target not met.

| Performance Indicators for Investigations   | FY 2003/FY 2004 Targets   |
|---|---|
| Investigators will attend periodic technical training relevant to NRC operations and refresher training relating to their law-enforcement function. | Each investigator will receive at least 40 hours of training. <b>(O)</b>  |
| Newly hired investigators will attend an NRC-developed training course or technical conference. <sup>10</sup>                                       | At least 50 percent of newly hired investigators will complete an NRC-developed training course or technical conference. <b>(O)</b> |

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FY 2002 Performance: Investigators met training requirements. Technical training target met.

FY 2001 Performance: Investigators met training requirements. IDP and technical training targets not met.

FY 2000 Performance: Investigators met training requirements. IDP target met.<sup>11</sup>

FY 1999 Performance: Investigators met training requirements. IDP target not met.

### **Verification and Validation of Measured Values and Performance**

The OIG uses numerous small database systems to measure OIG performance, e.g., Microsoft Access and Clipper applications. In some instances, customer and other stakeholder surveys, as well as peer reviews, are used to determine whether OIG has achieved its stated goals.

### **Crosscutting Functions with Other Government Agencies**

The NRC's OIG has a crosscutting function relating to its investigatory case referrals to the Department of Justice and other state and local law enforcement entities.

### **FY 2003 Office of the Inspector General Links to Performance Goals**

The following table depicts the relationship of the Inspector General program and associated resource requirements to its strategic goals.

| Links to Arena<br>Performance Goals                                 | Performance Goals            |                          |   |                          |
|---|------------------------------|--------------------------|---|--------------------------|
|   | Add Value to<br>NRC Programs | Enhance<br>Communication | Make Value-Added Policy and<br>Regulatory Recommendations | Improve<br>Effectiveness |
| <b>FY 2003 Programs (\$6,800K 44 FTE)</b>                           |                              |                          |   |                          |
| <b>Audits<br/>(\$3,111K, 18 FTE)</b>                                | X                            | X                        | X   | X                        |
| <b>Investigations<br/>(\$2,453K, 18 FTE)</b>                        | X                            | X                        | X   | X                        |
| <b>Management and<br/>Operational Support<br/>(\$1,236K, 8 FTE)</b> | X                            | X                        | X   | X                        |

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### **Endnotes**

1. The performance indicator to obtain customer feedback on timeliness and quality of audits was closed in FY 2001 due to ineffectiveness of performance indicator since each audit is required to have 100 percent customer feedback.
2. Completion of five investigations was delayed because OIG special agents were participating in efforts related to the Government's response to the attacks on the World Trade Center and the Pentagon on September 11, 2001. These efforts included special agents assigned to the Joint Terrorism Task Force in New York City and the NRC's Incident Response Office, as well as investigative staff called to duty. Further, investigative cases and personnel resources were realigned in FY 2002 as a result of investigative staff shortages.
3. Performance indicator was revised in FY 2001 to reflect a change in measuring elapsed time for fraud and non-fraud investigations from an average number of hours to an age of active cases with a target of 90 percent that are less than 2 years old.
4. FY 2004 target for reports was increased to reflect the new audit team.
5. Because of schedule conflicts, OIG management was unable to brief the NRC Chairman on a monthly basis and NRC Commissioners on a quarterly basis.
6. Because of investigative staff shortages, OIG investigators were unable to meet with designated Government agency representatives on a quarterly basis.
7. Because of budgetary constraints, conflicting priorities, and administrative hurdles, the OIG Management Information System (MIS) was not implemented in FY 2002. The audit and investigative components of the MIS will be implemented in FY 2003. Implementation of the audit and investigative components is necessary before preliminary work can be initiated for the Resource Management and Operational Support (RMOS) component. This administrative program target is being deleted from the performance plan.
8. The performance indicator and target were modified to expand the number of technical training courses that can be attended to meet the objective.
9. The performance indicator was closed in FY 2001 because of the voluntary nature of an Individual Development Plan (IDP). Further, the acquisition of Continuing Professional Education (CPE) as required by Government Auditing Standards for auditors and attendance at an NRC-developed training course or technical conference are considered to be better indicators of performance.
10. The performance indicator and target were modified to expand the number of technical training courses that can be attended to meet the objective.
11. The performance indicator was closed in FY 2001 because of the voluntary nature of an Individual Development Plan (IDP). Further, the acquisition of Continuing Professional Education (CPE) as required by Government Auditing Standards for auditors and the attendance at an NRC-developed training course or technical conference are considered to be better indicators of performance.